

CITY COUNCIL MINUTES
REGULAR MEETING

KERRVILLE, TEXAS
JUNE 14, 2011

On June 14, 2011, the Kerrville City Council meeting was called to order by Mayor Wampler at 6:00 p.m. in the city hall council chambers, 800 Junction Highway. The invocation was offered by Reverend Tom Murray of St. Peter's Episcopal Church, followed by the Pledge of Allegiance led by Keith Ellis of the Military Officers Association of America.

MEMBERS PRESENT:

David Wampler	Mayor
Gene Allen	Mayor Pro Tem
Carson Conklin	Councilmember
T. Scott Gross	Councilmember
Stacie Keeble	Councilmember

MEMBER ABSENT: None

EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Kristine Ondrias	Assistant City Manager
Brenda G. Craig	City Secretary
Travis Cochran	Director of Information Technology
Mike Erwin	Director of Finance
Kevin Coleman	Director of Development Services
Charlie Hastings	Director of Public Works
Tara LaMontia	Assistant to the City Manager
Kim Meismer	Director of General Operations
Mindy Wendele	Director of Business Programs
Robert Ojeda	Fire Chief
Malcolm Matthews	Director of Parks and Recreation
Ashlea Boyle	Parks and Recreation Superintendent
Mike Wellborn	City Engineer
Dan Schwartz	Director of Library Services

VISITORS PRESENT: List is on file in city secretary's office.

1. **VISITORS/CITIZENS FORUM:** No one spoke.

2. **PRESENTATIONS:**

2A. Resolution of Commendation and Mayor Pro Tem Plaque was presented by Mayor Wampler to outgoing Councilmember Place One R. Bruce Motheral.

2B. Resolutions of Commendation to Warren Ferguson and Jack Pratt for serving on the Economic Improvement Corporation.

2C. Recognition of the finance department for receiving the Government Finance Officers Association Distinguished Budget Presentation Award for FY 2010 presented to: Mike Erwin, Sandra Yarbrough, Kathy Schneider, Sai Vongchampa, and Vanessa Silva. This was the 26th consecutive year that the city received this award.

2D. Recognition of Olympic Pool staff for operational audit by Malcolm Matthews and Ashlea Boyle.

2E. Recognition of Dieter Werner, P.E., C.F.M. for his certification through the Texas National Certified Floodplain Manager Program as a certified floodplain manager presented by Mike Wellborn.

3. CONSENT AGENDA:

Mr. Gross requested discussion of 3G but did not remove it from the consent agenda.

3G. Authorize execution of a junkyard license application at 504/506 Peterson.

Mr. Coleman noted the junkyard was in existence prior to annexation and has the right to continue to operate as a nonconforming use, but could not expand. Staff had worked with the owner to meet the requirements of the ordinance including removal of hazardous materials. The owner would be allowed to continue his welding operation, and welding supplies had been properly stored and inventoried by the fire marshal. The owner was now in compliance, and licensing would allow the city the right to inspect the property to ensure compliance and require the owner to renew the license annually through the city council.

Mr. Hayes confirmed that the property use was nonconforming, but the operation existed prior to annexation. The applicant had appeared in municipal court several times for code violations; he was now in compliance with city codes; however, as a nonconforming use, when use ends, the operation will not be allowed to continue. Licensing the junkyard will require annual review and opportunity for staff to make sure it remains in compliance. Mr. Hayes acknowledged that the state inspector previously had concerns with hazardous materials, but those issues had been resolved.

The following person spoke:

1. Ruth Spradling was concerned about the operation.

Mr. Coleman noted the memo she referred to was from the city attorney in September 2010 and those issues had been resolved.

3. CONSENT AGENDA:

Mr. Gross moved for approval of items 3A through 3J; Mr. Conklin seconded the motion and it passed 5-0:

3A. Approval of the minutes of the special canvass meeting held May 24, and the regular meeting held May 24, 2011.

3B. Resolution No. 024-2011 abandoning a sewer pipeline easement generally located within an undeveloped tract addressed as 2315 East Main; and ordering recording.

- 3C. Authorize the execution of a license agreement with Kerrville's Fourth on the river for entertainment for the 4th of July event.
- 3D. Authorize execution of a bank depository services contract with Wells Fargo.
- 3E. Authorize execution of a lease agreement with the Friends of the Library for use of the basement in the Butt-Holdsworth Memorial Library.
- 3F. Authorize staff to seek request for qualifications for auditing services.
- 3G. Authorize execution of a junkyard license application at 504/506 Peterson.
- 3H. Resolution No. 023-2011 approving and authorizing execution of an interlocal agreement for participation in a public funds investment cooperative; designating the board of directors of the cooperative as an agency and instrumentality to supervise the cooperative; approving investment policies of the cooperation; appointing authorized representatives; and designating investment officers.
- 3I. Resolution No. 021-2011 amending the City of Kerrville investment policy regarding the investment of city funds in accordance with the public funds investment act.
- 3J. Resolution No. 020-2011 granting a license for use of the city's right-of-ways.

END OF CONSENT AGENDA

4. ORDINANCE, SECOND AND FINAL READING:

4A. Ordinance No. 2011-12 amending Chapter 110, Article III "Water Management Plan" of the Code of Ordinances of the City of Kerrville, Texas, by amending stages one through three of water conservation measures to provide for a greater separation between days for authorized landscape watering; containing a cumulative clause; containing a savings and severability clause; providing a penalty for violation of any provision hereof; ordering publication; and providing other matters related to the subject. Mayor Wampler read the ordinance by title only.

Mr. Hastings noted the ordinance would go into effect ten days after publication and changed the outdoor watering schedule to Tuesday/Saturday and Wednesday/Sunday. There had been no change in the ordinance since first reading.

Mr. Allen moved for approval of Ordinance No. 2011-12 on second and final reading; Ms. Keeble seconded the motion and it passed 5-0.

5. ORDINANCE, FIRST READING:

5A. An ordinance amending the budget for fiscal year 2011 to account for changes in the operating budget and the status of various capital improvement projects; and to amend other city funds to account for balances for approved purposes. Mayor Wampler read the ordinance by title only.

Mr. Erwin reviewed the budget changes that reflected insurance reimbursements, donations and grants received, and closure of several capital projects. Ms. Ondrias noted the city received notice from TxDOT requesting the city pay \$247,515.52 reimbursement for relocating the city's utility lines in conjunction with the SH16 reconstruction project completed in 2006. Staff requested a detailed

accounting record, and the budget amendment included payment once the bill was verified by staff. Mr. Hastings noted the original funding agreement called for the city to reimburse the state for city utility line relocation, and the value to the city for the utility relocation project exceeded \$1million.

Ms. Keeble moved for approval of the ordinance on first reading; Mr. Allen seconded the motion and it passed 5-0.

6. CONSIDERATION AND POSSIBLE ACTION:

6A. Elect a representative to the Alamo Area Council of Governments Board of Directors.

Mr. Parton noted AACOG requested the city nominate a representative to the AACOG Board of Directors to fill the seat that was held by former Mayor Pro Tem Bruce Motheral.

Mr. Allen moved to nominate Mayor David Wampler as the city's representative to the AACOG Board of Directors; Mr. Gross seconded the motion and it passed 5-0.

6B. Hotel Occupancy Tax (HOT) funding request procedure and business expansion plan.

Mr. Parton noted staff had met with Sudie Burditt to review the HOT application and to explore the opportunity of creating a new special events program to focus on bringing in more events and increase tourism. He noted a July 15 deadline to receive HOT applications from nonprofit organizations. He proposed that the city fund a special events program for 3-4 years and then evaluate the success of the program. He proposed that council direct staff to prepare a detailed business plan that would create a special events program as presented, and to continue with the HOT application process.

Sudie Burditt, Executive Director of the Convention and Visitors Bureau (CVB), supported marketing sports and special events; however, cautioned using existing CVB personnel and resources as it would cut into CVB's success with current programs. One area that special events may need assistance is in local sponsorships; some events had major sponsors already, but some did not. She estimated a special events budget at \$100-125,000 annually for salary, marketing, travel, etc. She supported Mr. Parton's proposal to fund 3-4 years and evaluate the success; if it did not fund itself within four years, then drop it. Ms. Burditt noted CVB currently assisted sports events that came to Kerrville, but was not actively seeking them; these were opportunities missed. Many cities that Kerrville competed with already had a special events department. She suggested council consider using the 1% HOT funds currently being collected but not allocated, estimated at \$130,000 annually, to fund a special events program.

The following points were also discussed by council:

- Council should find the most effective way to allocate HOT resources to bring in revenue from tourism and increase sales tax; any increase in sales tax would

fund city operations and offset future ad valorem tax increases.

- The city was successful in attracting tourists simply because people wanted to come to Kerrville; the city should apply resources in areas that focus on our natural attributes.
- Special events should include but not be limited to sports events.
- Continue with application process for nonprofit organizations.
- The city should not place the additional burden of a special events coordinator/program on CVB.

The following persons spoke:

1. Carolyn Lipscomb questioned if CVB had put out a request for proposal for local sponsorships.

Ms. Burditt noted the CVB would help find sponsors and advertising based on the number hotel rooms booked; CVB needed assistance in finding sponsors.

2. Jimmie Spradling stated that every year the city talked about increasing the number of tourists. He questioned if the city gained anything for the amount of money spent on advertising; does the city bring in more than it spends? He hears the same thing every year.

Ms. Burditt agreed that some people come to Kerrville without ever having seen advertisements, but thousands come because of advertising. Many tourists also receive mail packets from the CVB or access Kerrville through CVB's website. Some projects break even; some make money; however, the big benefit to the community was sales tax brought in by tourists, which helps keep ad valorem property tax down.

3. Bruce Stracke asked what other items CVB would propose that would bring in tourism.

Ms. Burditt noted that CVB could reach a different business tourism segment if the city had conference meeting space.

Mr. Conklin moved that staff proceed with the HOT application process as revised by staff, and bring back a plan for council's discussion for funding an events coordinator with the city. The motion was seconded by Mr. Allen and passed 5-0.

6C. Resolution No. 022-2011 providing for the city's approval or disapproval of the Kerr Central Appraisal District's fiscal year 2012 budget.

Mr. Erwin noted the proposed KCAD FY12 was 0.68% less than FY11; the city's allocation would be \$121,701, which was \$970 less than FY11.

Mr. Allen moved for approval of Resolution No. 022-2011 approving KCAD's FY 2012 budget; Mr. Conklin seconded the motion and it passed 5-0.

6D. Interlocal agreements between Kerr County and the City of Kerrville for joint operations.

Mr. Parton noted staff had prepared draft agreements and transmitted those agreements to the county through Judge Pat Tinley. The basic terms of the agreements were:

1. Three-year term for FY12, 13, and 14.
2. Annual inflationary adjustment of 3% for fire and EMS.
3. County cash contributions: Fire, \$500,000; EMS, \$400,000; Library, \$200,000 (contingent upon a grant from the Cailloux Foundation); and Airport, \$175,000.
4. Animal control and animal shelter services to be provided to city residents with no cash contribution by the city; however, the city's animal control ordinance will need to be revised.

Mr. Parton noted the city council had established a goal of July 1 for execution of the contracts, and the city had not received official response from the county regarding the draft agreements. Three concerns were expressed by Judge Tinley:

1. Concern that having fire/EMS in the same agreement; the county would like to separate the two operations.
2. County would like to have a termination clause for EMS in the event an emergency services district for EMS was created prior to expiration.
3. Assurance that the airport board would be maintained in order that airport operations would continue.

Mr. Parton requested if the council allows a termination clause as stated in 2, that there be a one year notification period to allow the city ample time to budget and plan the service.

6E. Update regarding Lower Colorado River Authority Transmission Services Corporation (LCRA-TSC) application for the proposed McCamey D to Kendall to Gillespie CREZ project PUC Docket No. 38354; City of Kerrville, Kerrville Public Utility Board, and City of Junction v. PUC, Cause No. D-1-GV-000324, in the 98th District Court of Travis County. The matter was deferred to executive session.

7. INFORMATION AND DISCUSSION:

7A. Review of timeline and process for update of the city subdivision ordinance.

Mr. Coleman noted the subdivision ordinance was currently being reviewed by city staff and the appropriate city boards. The new ordinance would: conform to state law, local practice and local terminology; clarify application to utility extension requirements; adopt by reference the parkland dedication and sidewalk ordinance, standard specification for public improvement, fire code, and storm water drainage manual; and would address conflicts with state and county regulations. He discussed points to be reviewed in the ordinance, the timeline, and the process.

7B. Update on library statistics.

Mr. Schwartz noted the library closed on May 21 for reconstruction and renovation of the facility. He reported total circulation count at 61,464 and total patron count at 3,418 as of May 31, 2011.

7C. Economic update.

Mr. Erwin reported local unemployment at 6.1%; city monthly sales tax at \$371,346; and monthly EIC tax at \$185,673.

(Note: Mr. Allen left the meeting at 8:09 p.m. and returned at 8:17 p.m.)

8. BOARD APPOINTMENTS:

8A. Appointment to the Kerr Economic Development Corporation.

Mr. Parton noted at the time KEDC was created, council appointed him to serve as council's representative; that one year term would expire June 30, 2011. He recommended a city councilmember be appointed to KEDC for a three year term.

Mr. Conklin moved to appoint David Wampler as the city's representative to KEDC. Mr. Gross seconded the motion and it passed 5-0.

8B. Appointment to the Planning and Zoning Commission.

Mr. Conklin moved to appoint Lewis Wood to fill the unexpired term due to expire January 1, 2013. Mr. Allen seconded the motion and it passed 5-0.

8C. Appointment to the Zoning Ordinance Input Committee.

Mr. Allen moved to appoint Ruth Spradling. Mr. Conklin seconded the motion and it passed 5-0.

9. ITEMS FOR FUTURE AGENDA: None.

10. ANNOUNCEMENTS OF COMMUNITY INTEREST:

10A. Ms. Wendele noted that the news media and public had questioned whether the city would have fireworks on July 4 in spite of the drought; she stated that at this time, the city would have fireworks. A media specialist had been hired to market the event statewide. Sponsorships and volunteers were great, but more were welcome.

10B. Mr. Parton noted on June 16, 5:00 p.m.-7:00 p.m. at 228 Earl Garrett Street the Cailloux Foundation would be unveiling plans for the Downtown Plaza, an agenda had been posted for council to attend.

11. EXECUTIVE SESSION:

Ms. Keeble moved for the city council to go into executive closed session under Sections 551.071 (consultation with attorney), and 551.072 (deliberation regarding real property), of the Texas Government Code; the motion was seconded by Mr. Conklin and passed 5-0 to discuss the following matters:

Section 551.071:

- LCRA Transmission Services Corporation proposed McCamey D to Kendall to Gillespie 345-kV CREZ Transmission Line in Schleicher, Sutton, Menard, Kimble,

Mason, Gillespie, Kerr, and Kendall Counties, Texas. Public Utility Commission of Texas (PUC) Docket No. 38354; City of Kerrville, Kerrville Public Utility Board, and City of Junction v. PUC, Cause No. D-1-GV-000324, in the 98th District Court of Travis County.

Section 551.071 and 551.072:

- Discuss the purchase, exchange, lease, sale, or value of real property, the public discussion of which would not be in the best interests of the city's bargaining position with third parties (715 Water Street).

At 8:30 p.m. the regular meeting recessed and council went into executive closed session at 8:42 p.m. At 9:25 p.m. the executive closed session recessed and council returned to open session at 9:26 p.m. Mayor Wampler announced that no action had been taken in executive session.

12. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

6E. Update regarding Lower Colorado River Authority Transmission Services Corporation (LCRA-TSC) application for the proposed McCamey D to Kendall to Gillespie CREZ project PUC Docket No. 38354; City of Kerrville, Kerrville Public Utility Board, and City of Junction v. PUC, Cause No. D-1-GV-000324, in the 98th District Court of Travis County.

Mr. Conklin moved that the city join with Mr. Atkission on filing a complaint with the Texas Public Utility Commission, and to send a letter to the Texas Department of Transportation objecting to the alignment of the power line across Sidney Baker (SH 16) north of I-10. Mr. Gross seconded the motion and it passed 4-0 (Mr. Allen left the meeting at 8:30 p.m.).

13. ADJOURNMENT.

The meeting adjourned at 9:27 p.m.

APPROVED: _____

David Wampler, Mayor

ATTEST:

Brenda G. Craig, City Secretary